

# SENATE BILL REPORT

## SB 5968

As of June 28, 2017

**Title:** An act relating to the funding of oil spill prevention and oil spill response.

**Brief Description:** Regarding the funding of oil spill prevention and oil spill response.

**Sponsors:** Senator Ericksen.

**Brief History:**

**Committee Activity:** Energy, Environment & Telecommunications: 6/29/17.

### Brief Summary of Bill

- Authorizes the Legislature to transfer up to \$3 million from the Oil Spill Response Account to the Oil Spill Prevention Account during the 2017-2019 biennium.
- Revises the fund balance for suspension of the Oil Spill Response Tax from \$9 million to \$6 million.
- Revises the fund balance for reinstating the Oil Spill Response Tax from \$8 million to \$5 million when the tax was not imposed the preceding calendar quarter.

## SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

**Staff:** Jan Odano (786-7486)

**Background:** The Legislature enacted oil spill prevention and response measures in 1990 to promote the safety of marine transportation and protect state waters from oil spills. The director of the Department of Ecology has the primary authority to oversee prevention, abatement, response, containment, and clean-up efforts for oil spills in state waters. The oil spill program requires oil spill prevention plans, contingency response plans, and documentation of financial responsibility for vessels and facilities that may discharge oil into navigable waters.

Current law provides for an Oil Spill Administration Tax and an Oil Spill Response Tax. The Oil Spill Administration Tax is \$0.04 tax on each 42-gallon barrel of oil. The receipts from

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the Oil Spill Administration Tax are deposited into the Oil Spill Prevention Account. This account funds oil spill prevention program activities such as contingency and prevention plan review and approval, oil spill drills, notifications regarding oil movement through the state, and restoration programs as well as administrative and collection costs.

The Oil Spill Response Tax is \$0.01 per barrel tax. The receipts from the Oil Spill Response Tax are deposited into the Oil Spill Response Account. This account funds the state response to those oil spills with clean-up costs in excess of \$50,000.

When the Oil Spill Response Account is greater than \$9 million the Oil Spill Response Tax is suspended the next calendar month. The Oil Spill Response Tax is reestablished when it was not imposed during the preceding calendar quarter and the previous quarterly balance is less than \$8 million.

**Summary of Bill:** The Oil Spill Response Tax is suspended when the most recent quarterly balance is more than \$6 million. The Oil Spill Response Tax is reinstated when the quarterly balance is less than \$5 million and the tax was not imposed the preceding calendar quarter.

The Legislature is authorized during the 2017-2019 biennium to transfer up to \$3 million from the Oil Spill Response Account to the Oil Spill Prevention Account.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.